Harshness Doctrine Regarding Fulfillment of the Performance of an Agreement
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Abstract
In contract law, performance fulfillment is a fundamental principle. However, in practice, unforeseen changes in circumstances can disrupt performance fulfillment. To address this, the doctrine of hardship is necessary to create a balance between performance fulfillment and unforeseen changes in circumstances. The aim of this research is to analyze the concept of the hardship doctrine in contract law and identify its impact on the interpretation and performance of contracts, as well as the protection of rights and fairness for parties bound by contractual agreements. The research method used is normative research method with a focus on analyzing the legal regulations that govern the hardship doctrine. The data sources include legal texts, regulations, court decisions, and relevant legal expert opinions, along with techniques such as legal document analysis, comparison, and drawing conclusions to generate a comprehensive understanding. In contract law, the hardship doctrine refers to the concept of unforeseen changes in circumstances significantly affecting contract performance. This doctrine allows parties to request contract modifications or terminations in situations that are no longer fair or feasible. It also impacts contract interpretation, as courts determine whether the changed circumstances meet the criteria for activating the doctrine. Although not fully regulated in Indonesian legislation, the Civil Code provides relevant legal grounds. It is important for contracting parties to understand the implications of the hardship doctrine and consider its inclusion in their agreements. The doctrine plays a crucial role in protecting the rights and ensuring fairness to parties bound by contractual agreements in Indonesia. It provides protection, flexibility, and considerations for social impact and public interests. However, its use should be limited, meet strict requirements, and align with applicable laws. Therefore, the hardship doctrine serves as an essential tool to maintain balance and justice in contract performance.
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I. Introduction

In contractual legal relations, fulfillment of achievements in an agreement is a fundamental principle. Signing an agreement is a legal action that binds the parties involved to fulfill agreed obligations. (Situngkir, 2018) Meanwhile, performance in an agreement is what the parties hope to fulfill in accordance with the agreement they have made. However, in practice, there are situations where fulfilling these achievements becomes difficult or even impossible due to unforeseen changes in circumstances. In this context, the doctrine of hardship becomes relevant. The hardship doctrine is a legal doctrine that addresses unpredictable changes in circumstances, which affect the ability of one party to fulfill the achievements agreed upon in an agreement. (Sinaga, 2020)

The importance of fulfilling performance in contract law is very clear. Contract law is the foundation for various types of business transactions, personal agreements, and international relations. The parties involved in an agreement have strong hopes and interests in fulfilling the achievements they have agreed to. (Novera & Utama, 2014) This forms the basis of trust and stability in the contractual relationship. However, on the other hand, unexpected changes in circumstances, such as natural disasters, changes in the global economy, or changes in government regulations, can disrupt the fulfillment of promised achievements.

Then, to overcome this problem, the doctrine of hardship becomes relevant. The hardship doctrine provides a legal framework for dealing with situations where fulfilling the performance of an agreement becomes impossible or unfair due to an unforeseen change in circumstances. This doctrine creates a balance between the interests of the parties that must be met and the reality of changing circumstances that can hinder the fulfillment of achievements. (Aisyah, 2022) At the international level, the United Nations Convention on Contracts for the International Sale of Goods (CISG) is a legal instrument that covers the issue of fulfilling contractual agreements under difficult conditions. The CISG, which has been adopted by more than 90 countries, regulates international contracts in the context of the sale of goods. Article 79 CISG states that "A party will not be deemed to have failed to fulfill his obligations if he can prove that the failure was caused by an obstacle that was unavoidable and beyond his party’s control. (Qasthari et al., 2019) This is an example of how international law recognizes the need to accommodate unpredictable changes in circumstances in the context of international contractual agreements. At the national level, many countries have laws and regulations that regulate the hardship doctrine in the context of business agreements.

In the context of contract law in Indonesia, Law no. 24 of 2009 concerning the State Flag, State Language, State Emblem and National Anthem (State Emblem) regulates the fulfillment of achievements in agreements between private parties and the government. Article 9 of this Law stipulates that changes to the rules affecting the agreement can be
accepted if both parties agree to them. However, there are many aspects that still require further clarification in the hardship doctrine in contract law in Indonesia, especially in the context of business agreements. (Rahmadita & Suyatna, 2016) Research regarding the doctrine of hardship in fulfilling the achievements of an agreement is very relevant today considering the rapid changes in the business world and global conditions. The COVID-19 pandemic, as a concrete example, has presented various challenges for the implementation of business agreements throughout the world. Many companies face difficulties in meeting their obligations, and questions about whether they can avoid legal sanctions arise. This research will provide a more in-depth view of how the hardship doctrine can be applied in the context of fulfilling business agreement performance, especially in emergency situations such as a pandemic.

Additionally, this research will help create clearer legal guidance for businesses and entrepreneurs in Indonesia, who rely heavily on business contracts to run their operations. By understanding the hardship doctrine, they can be better prepared to deal with unexpected changes in circumstances and ensure that their rights and obligations in business agreements remain recognized and respected. The problem formulation related to this research can be formulated as follows:

1. How does the concept of hardship doctrine affect the interpretation and fulfillment of performance in contract law?
2. What is the impact of the hardship doctrine on the protection of rights and justice for parties bound by contractual agreements?

It is hoped that this research will make a significant contribution to the development of contract law in Indonesia, especially in the context of fulfilling business agreement achievements. With a better understanding of the hardship doctrine, entrepreneurs and lawyers will be better able to manage the risks associated with unexpected changes in circumstances, and governments can develop policies that support the development of business and the national economy.

2. Research Method

The research method used in this research is a normative research method. Normative research aims to understand and analyze applicable laws, as well as how these laws are applied in practice. (Muhaimin, 2020) The statutory approach will be the main framework in this research, because the main focus is on the analysis of legal regulations governing the hardship doctrine in the context of fulfilling agreements. In normative research methods, legal material sources are a key element in data collection. The main sources that will be used include legal texts, regulations, and international conventions relating to contract law and hardship doctrine. In addition, court decisions involving the application of the hardship doctrine will be a very important source of data. By delving
into these legal documents, research will be able to identify the development of hardship doctrine, court understanding, and differences in legal approaches across jurisdictions. Data collection techniques will involve legal literature analysis, legal document searches, and case studies. Analysis of legal literature will involve a review of legal texts, legal papers, and the views of legal experts relevant to the hardship doctrine. A search for legal documents will involve searching for various laws and regulations governing contracts and the hardship doctrine. The case study will examine the decisions of courts that have dealt with cases involving the application of the hardship doctrine.

These documents will be the main material in data analysis. Data analysis techniques in this research will include legal document analysis, comparison, and drawing conclusions. Analysis of legal documents will involve identifying and understanding the content of legal regulations related to the hardship doctrine. Benchmarking will be used to compare legal regulations from various jurisdictions and evaluate differences and similarities in legal approaches. Drawing conclusions will involve synthesizing findings from various data sources to develop a comprehensive view of the hardship doctrine in the context of covenant fulfillment. In this series of research, normative research methods with a statutory approach will enable an in-depth study of the hardship doctrine in contract law. Relevant legal material sources will form the basis of data analysis, with a focus on existing legal regulations and related court decisions. Data analysis techniques will help identify trends, differences, and similarities in the application of the hardship doctrine across various jurisdictions, and ultimately provide valuable insight into the context of fulfilling contractual agreements under hardship conditions. This research will provide a better understanding of the development of relevant laws and regulations in dealing with unpredictable changes in conditions in contract practice, as well as their impact on fairness and balance of rights of parties bound by agreements.
3. Results and Discussion

The Concept of the Hardship Doctrine Influences the Interpretation and Fulfillment of Performance in Contract Law

The hardship doctrine, also known as change of circumstances theory, is a concept in contract law that has received widespread attention in various jurisdictions. This concept refers to a situation in which there is a fundamental change in circumstances or events, which cannot be predicted, and significantly affects the ability of the parties to a contract to perform as originally promised. (Amalia et al., 2015) The hardship doctrine has a significant impact on the interpretation and fulfillment of contractual agreements in contract law, as it allows for the modification or termination of contracts under certain circumstances. To explain further, the discussion discusses the concept of hardship doctrine, its impact on contractual agreements, and the relevance of related laws and regulations. The hardship doctrine is a legal concept that has different roots in different jurisdictions, but essentially, it refers to an unforeseen change in circumstances that substantially affects the performance of a contract. (Hernoko, 2006) In some jurisdictions, the term "force majeure" is often used to refer to similar situations, which also refer to events or circumstances beyond the control of the parties involved in the contract. The hardship doctrine becomes relevant when the change in circumstances makes the implementation of the contract unfair, both from an economic and physical perspective, which is significant for one of the parties or even both parties involved.

This concept basically recognizes that in such situations, the principle of justice demands that the contract be renewed or terminated fairly, rather than forcing the parties to remain in compliance with a contract that is no longer in accordance with their basic assumptions when they originally entered into the agreement. This is an important legal mechanism to ensure that when unforeseen circumstances that seriously affect the contract occur, the rights and obligations of the parties can be adjusted to remain fair and appropriate to new realities that were not anticipated at the start of the agreement. Thus, the hardship doctrine is an important legal tool to maintain the principle of justice in contract implementation. The hardship doctrine has a significant impact on the interpretation of contracts in various aspects. One of the main changes is in the way courts and arbitrators examine contract clauses relating to changes in circumstances. Such clauses often include provisions regarding changes in certain circumstances, such as changes in laws, regulations, economic conditions, or extraordinary events that are difficult to predict. In some jurisdictions, the hardship doctrine allows courts to interpret such clauses more broadly and flexibly. (Hart, 2021)
Courts can evaluate whether the change in circumstances meets the hardship standard required to activate the clause. If the conditions are met, the contract can be changed or terminated in accordance with the provisions stipulated in the contract clause. In addition, the hardship doctrine also influences the way courts assess the integrity of contracts and the original intentions of the parties in entering into the contract. The court may consider whether a change in circumstances has rendered the performance of the contract inconsistent with the original intentions of the parties involved. In these types of situations, courts may seek to avoid consequences deemed unfair or unreasonable. Thus, the hardship doctrine plays an important role in formulating contract interpretation and making legal decisions related to unpredictable changes in conditions in the context of contractual agreements. In addition to its influence on contract interpretation, the hardship doctrine also has an impact on contract fulfillment. This doctrine allows parties affected by changes in circumstances to request changes to the contract or termination of the contract. It aims to strike a balance between protecting the interests of the parties to the contract. In many jurisdictions, there are criteria that must be met to activate the hardship doctrine. Typically, the requesting party must prove that the change in circumstances was unforeseen and beyond their control, and that the change made performance of the contract unfair or impossible.

Additionally, they must demonstrate that they have made a good faith effort to seek alternative solutions before requesting a contract change. (Firmanda, 2020) Subsequently, many jurisdictions have regulated the hardship doctrine in their legislation. Some jurisdictions have specific laws governing the use of the hardship doctrine in contracts. In Indonesian contract law, there are two relevant articles that can be used to discuss the implications of the hardship doctrine:

a. Article 1338 Civil Code

Article 1338 of the Civil Code is an important legal basis in the context of contractual agreements. This article emphasizes that an agreement is a form of law for the parties involved in it. This means that when parties agree to a contract, they have a strong legal obligation to comply with the agreed terms. However, not only that, this article also underlines the importance of carrying out agreements in good faith. Good faith in implementing an agreement is a moral concept that underlies compliance with the agreement. This means that the parties involved in the contract must act honestly, fairly, and must not abuse the rights they have. Thus, Article 1338 of the Civil Code emphasizes that agreements are not only about fulfilling obligations, but also about integrity and ethics in implementing contracts. (Evi et al., 2023)

b. Article 1244 Civil Code

Article 1244 of the Civil Code presents relevant provisions in the context of canceling an agreement for certain reasons. (Rasuh, 2016) One of the reasons stipulated in this article is "serious difficulties that could not be foreseen at the time the agreement was
made.” Although the term "hardship" is not directly used in this article, the concept of "hardship" allows us to refer to the doctrine of hardship. In practice, the hardship doctrine is a legal framework that allows cancellation or modification of an agreement if an extraordinary and unpredictable change in circumstances occurs which results in one of the parties suffering unfair losses or not in accordance with what was originally expected when the agreement was made. Article 1244 of the Civil Code provides a legal basis for parties facing such "serious hardship" situations to seek legal protection and request cancellation of the agreement. Thus, this article reflects the relevance of the hardship doctrine in the context of civil law in Indonesia, allowing protection for parties affected by extreme changes in circumstances after an agreement is made.

While the Civil Code provides a legal basis for dealing with situations where contract fulfillment becomes impossible or extremely difficult due to unpredictable changes in circumstances, Indonesian courts have not developed a clear legal framework for applying the hardship doctrine. This results in uncertainty in the interpretation and fulfillment of contractual agreements in cases of hardship doctrine. However, there are several cases where Indonesian courts have begun to recognize the principles of hardship in contract interpretation. One example is in the case of Supreme Court Decision Number 2905 K/Pdt/2014. In this case, the court recognized that a very significant change in circumstances, such as a change in government regulations that made fulfillment of the contract impossible, could be a basis for modifying or canceling the contract. Although cases like this show positive developments in the recognition of the hardship doctrine in Indonesia, it is important to note that there are no clear and comprehensive regulations governing the application of the hardship doctrine in Indonesian contract law. Therefore, courts tend to take a casuistic approach and decide each case based on existing facts and law. In addition, the hardship doctrine can also affect the parties involved in a contract’s understanding of their obligations. Parties to a contract must understand that unpredictable changes in circumstances may affect the performance of the contract, and they must be willing to consider options for changing or modifying the contract if such situations arise.

Apart from the Civil Code, Indonesia has also adopted various relevant regulations and laws regarding contracts, such as Law Number 24 of 2009 concerning the National Flag, Language and Emblem, as well as the National Anthem, as well as Law Number 7 of 2014 concerning Trade. However, the law does not specifically address the hardship doctrine. In other countries, the hardship doctrine is often regulated in specific laws or in the contractual agreement itself. For example, in the United Nations Convention on International Contracts for the Sale of Goods (CISG), there is an article that regulates unpredictable changes in circumstances. Indonesia has ratified the CISG, but its adoption and implementation still requires further development. Overall, it can be concluded that the hardship doctrine is an important concept in contract law that recognizes that
unforeseen changes in circumstances can substantially affect the performance of a contract. Its impact on the interpretation and fulfillment of contracts is important because it allows parties to request changes to the contract or termination of the contract in certain situations. Relevant legislation varies depending on the jurisdiction, but many countries have established the hardship doctrine in their laws or set criteria for activating it. This provides a clear legal framework for parties involved in a contract to address unforeseen changes in circumstances in a fair and balanced manner.

The Impact of the Hardship Doctrine on the Protection of Rights and Justice for Parties Bound in Contractual Agreements

The hardship doctrine, also known as the "clausula boil sic stantibus" in international law, is a legal concept that arises when external events, such as significant changes in economic, political, or social conditions, interfere with the implementation of contractual agreements. (Suherman, 2016) The impact of the hardship doctrine on the protection of rights and justice for parties bound by contractual agreements has complex aspects and is very relevant in contract law in Indonesia. To understand its impact, it is necessary to detail the hardship doctrine itself, identify relevant laws and regulations in Indonesia, and explain its implications for the protection of rights and justice in the context of contracts. In the context of international law, the hardship doctrine or clause boil sic stantibus refers to the principle that parties bound to a contractual agreement can ask a court or arbitration to revise or terminate the agreement if there is a very significant change in circumstances that could not be predicted at the time the agreement was made and such changes make the implementation of the agreement extremely unfair or impossible. (Adi, 2015) This principle is recognized in the United Nations Convention on International Contracts for the Sale of Goods (CISG) in Article 79 and is also found in several national legal systems around the world. In Indonesia, the hardship doctrine is also known as the "change of circumstances clause" in contract law. This concept is regulated in Article 1266 of the Civil Code (KUHPerdata). (Ambar et al., 2018) In the context of civil law in Indonesia, the change of circumstances clause allows parties bound by an agreement to ask the court to change or terminate the agreement if there is a very significant change in circumstances, so that implementing the agreement would be very unfair or impossible.

That clause provides a legal basis for the court to consider changes in circumstances in relation to the protection of the rights and justice of the parties bound by the contractual agreement. The impact of the hardship doctrine or change of circumstances clause on the protection of the rights and justice of parties bound in contractual agreements can be understood from several different perspectives:
1. Protection of the Rights of Bound Parties
   The hardship doctrine is a legal principle that provides protection for the rights of parties bound in a contractual agreement. This principle recognizes that significant changes in circumstances may threaten the rights they may have agreed to in the agreement. (Rahman, 2022) The hardship doctrine basically gives parties affected by changes in circumstances the opportunity to apply to court or arbitration with the aim of requesting changes or even termination of the agreement, so that they can avoid unfair losses. This becomes very important to maintain a balance of fairness in contract implementation, because previously agreed contracts may become unfair or unsustainable if the situation changes significantly. The hardship doctrine, thus, functions as a tool to safeguard the rights of parties involved in an agreement so that they are not unfairly impacted by unforeseen changes in circumstances.

2. Flexibility in Contract Implementation
   The hardship doctrine has a significant impact on flexibility in contract implementation. (Epilia, 2010) This doctrine provides room for contractual agreements to remain relevant and enforceable under certain changing circumstances. Situations where changes in circumstances occur that make contract implementation impossible can be overcome with this flexibility. In this case, this flexibility functions to prevent significant injustice for the parties bound by the contract. This flexibility allows the parties involved to make necessary changes so that the contract can still be implemented fairly and in accordance with the new situation. Thus, the hardship doctrine has an important role in maintaining balance and fairness in contract implementation.

3. Fairness in the Assessment of Changes in Circumstances
   In the hardship doctrine, it is important to ensure fairness in the assessment of changing circumstances. When there is a significant change in circumstances affecting the performance of the contract, the courts or arbitration have an important role in determining whether revision or termination of the agreement is necessary. In carrying out its duties, the court must act based on the principles of fairness and justice to ensure that parties affected by changes in circumstances are not neglected or mistreated. They need to consider the interests and balance between the parties to the contract, as well as taking into account factors such as compliance with the original contract, substantial fairness, and extraordinary circumstances that affect the ability to fulfill the contract. This means the court must consider the relevant facts and evidence, and ensure that the decision reached is the fairest for all parties involved. By maintaining fairness in the assessment of changing circumstances, the hardship doctrine can help maintain a fair balance in contract performance. (Tai, 2019)
4. Notification Obligations

In some cases, a change of circumstances clause in a contractual agreement may require the party seeking the change to provide notice to the other party as soon as possible after learning of the change. This notification obligation serves the important purpose of ensuring that parties to an agreement have transparency and equal opportunities to respond to changes that occur. With the notification obligation in place, the party wishing to request a change must clearly and precisely notify the other party of the relevant change in circumstances. This provides an opportunity for the other party to evaluate the impact of the change on the existing agreement and respond in accordance with its rights and obligations. Thus, the notification obligation in the change of circumstances clause in the contractual agreement ensures openness and equality between the parties involved, and allows for fair dialogue and negotiation in the face of unexpected changes. (Safitri, 2018)

5. Public Interest

In the context of a change of circumstances clause, it is important for the court or arbitration to consider the public interest and social effects of the change in circumstances. Although contractual agreements govern the relationship between individual parties, courts must also understand that their decisions have broader implications for society. In some cases, the protection of the public interest may take precedence over the interests of individuals who may request changes to the contract. This reflects awareness of the role of contracts in maintaining broader economic and social stability. In making decisions, courts must consider factors such as the vulnerability of the affected parties, the social impact of the decision, and the importance of striking a balance between individual interests and the public interest. By considering the public interest, courts can reach decisions that take into account the social and economic implications of changing circumstances, as well as maintaining the integrity of the legal system as a whole. (Salim, 2016)

6. The importance of evidence and evidence

In cases involving change of circumstances clauses, it is important for the requesting party to present evidence that would convince the court or arbitration. They need to prove that the change in circumstances they claim was a significant and unanticipated change that affected the performance of the contract in a way that could not have been predicted or anticipated when the contract was entered into. The evidence presented must be strong and able to convince the party tasked with deciding whether the change meets the criteria of the hardship doctrine or not. Evidence may include documents, facts, or experts that support a claim of significant change in circumstances. Strong evidence plays an important role in determining the impact of the hardship doctrine on rights protection and justice. With clear and convincing evidence, a court or arbitration can make decisions.
based on accurate and objective facts, and ensure that the rights and justice of all parties bound by the contract remain well protected. Therefore, requesting parties must ensure that they have sufficient evidence to support their claims in cases involving change of circumstances clauses. (Situmorang, 2020)

In practice, the impact of the hardship doctrine or change of circumstances clause in protecting the rights and justice of parties bound by contractual agreements can vary depending on the specific factors of each case. However, it is important to note that a change of circumstances clause or hardship doctrine is not a tool that can be easily used to avoid contractual obligations. Courts and arbitration tend to consider such cases carefully, and the requesting party must prove that the change in circumstances qualifies as a significant and unforeseen change.

Overall, it can be concluded that the hardship doctrine or change of circumstances clause has a significant impact on the protection of rights and justice for parties bound by contractual agreements in Indonesia. It provides flexibility in the execution of the contract, allows for changes to the agreement when unforeseen changes in circumstances occur, and ensures that the rights of the parties to the contract are respected. However, the use of the hardship doctrine must be limited and must meet strict requirements, as well as taking into account the public interest. Therefore, the hardship doctrine is a powerful tool to protect rights and justice, but it must be used with caution and in accordance with applicable law.

4. Conclusion
In contract law, the hardship doctrine or change of circumstances theory is a concept that refers to an unexpected change in circumstances that significantly affects the performance of a contract. This concept is important because it allows parties to request changes to the contract or termination of the contract in certain situations where it is no longer fair or feasible to perform. The hardship doctrine also has an impact on the interpretation of contracts, where courts can determine whether a change in circumstances meets the hardship requirement that activates a change or termination of the contract. In addition, the hardship doctrine also affects contract performance, allowing the affected party to request a modification of the contract or termination of the contract if a change in circumstances makes performance of the contract impossible or unfair. In Indonesia, the doctrine of hardship has not been fully regulated in statutory regulations, but several articles in the Civil Code provide a relevant legal basis. It is important for parties involved in a contract to understand and consider the implications of the hardship doctrine in their agreements. The hardship doctrine or change of circumstances clause has a significant impact on the protection of rights and justice for parties bound by contractual agreements in Indonesia. This principle provides protection for the rights of the parties involved in
the contract and allows flexibility in the implementation of the contract under extraordinary changing circumstances. The hardship doctrine also ensures that court or arbitration decisions in assessing changes in circumstances are based on the principles of fairness and justice, and take into account the public interest and social effects of these changes. It is important for the party submitting the request to have strong and sufficient evidence to support the claim of a significant change in circumstances. However, the use of the hardship doctrine must be limited and meet strict requirements, and in accordance with applicable law. Thus, the hardship doctrine is an important tool in maintaining balance and fairness in contract implementation, as long as it is used carefully and in accordance with applicable requirements.

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